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FACSIMILE COVER SHEET

DATE: December 21, 2004 NO. OF PAGES: 6

TO: Sharla Dillon FACSIMILE NO.: (423) 741-5015
Docket Manager
Tennessee Regulatory Authority

FROM: Michael A. McMahon / Shannon Bielcik

MESSAGE: Please deliver to Ms. Dillon ASAP to meet
2 pm filing deadline. Thank you!

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City of Chattanooga

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Special Counsel

December 21, 2004

VIA U.S. MAIL & FACSIMILE: (615) 741-5015

Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

***Re: Petition of Tennessee American Water Company to Change and Increase Certain Rates
and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its
Property Used and Useful in Furnishing Water Service to Its Customers,
Docket No. 04-00288***

Dear Sharla:

Attached are the Supplemental Responses of the City of Chattanooga to the Request for Discovery from Tennessee American Water Company. An original copy will be shipped today by FedEx overnight delivery and should arrive at your office around 8 a.m. on December 22.

Thank you for your assistance in this matter. Please contact my office if you have any questions.

Sincerely,

MICHAEL A. MCMAHAN
Special Counsel

MAM/spb

cc: Timothy C. Phillips, Esquire, (615-532-2910)
T.G. Pappas, Esquire (615-742-6293)
R. Dale Grimes, Esquire (615-742-6293)
Henry Walker, Esquire (615-252-2380)
David Higney, Esquire (423-756-6518)

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF TENNESSEE-AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND CHARGES
SO AS TO PERMIT IT TO EARN A FAIR AND
ADEQUATE RATE OF RETURN ON ITS
PROPERTY USED AND USEFUL IN
FURNISHING WATER SERVICES TO ITS
CUSTOMERS.**

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DOCKET NO. 04-00288

**SUPPLEMENTAL RESPONSES OF CITY OF CHATTANOOGA TO REQUEST FOR
DISCOVERY FROM TENNESSEE AMERICAN WATER COMPANY**

DISCOVERY REQUEST NO. 4:

With respect to each person you expect to call as a witness, including any expert witness,
regarding this matter, state or provide:

- a. the witness's full name and work address;

RESPONSE:

- 1) Trevor Hamilton, Chattanooga Chamber of Commerce, 801 Broad Street, Chattanooga, TN
37402.
- 2) Daisy Madison, City Treasurer, City Annex, 100 East 11th Street, Fourth Floor, Chattanooga,
TN 37402
- 3) Jim Coppinger, Fire Chief, City of Chattanooga, 910 Wisdom Street, Chattanooga, TN 37406
- 4) Tony Quarles, Fire Marshall, City of Chattanooga, 910 Wisdom Street, Chattanooga, TN
37406

b. each subject matter about which such witness is expected to testify;

RESPONSE:


1) Trevor Hamilton, Vice President of Economic Development for the Chattanooga Chamber of Commerce, will testify as to the importance of maintaining competitive utility rates in attracting new industrial and commercial businesses and to retain the existing industrial and commercial businesses. Chattanooga will lose a competitive advantage if water rates become too high.

2) Daisy Madison is expected to testify that the City of Chattanooga is a major customer of Tennessee American Water Company, and currently pays about \$585,000 annually in water charges. Of this amount, over \$200,000 are payments from the sewer system. The sewer system is operated as an enterprise fund and its cost and expenses are recovered from sewer charges. Sewer charges are based upon water usage. Therefore, any increase in water charges will ultimately be passed on to sewer users in higher sewer rates

3) Depending upon what position other interveners take with respect to an across the board percentage increase in water tariffs to account for lost public fire hydrant revenues, Jim Copping or Tony Quarles may testify about their experience with respect to the use, location and expenses of maintaining fire hydrants as it may relate to the various rate classes.

Respectfully submitted,

**CITY OF CHATTANOOGA, TENNESSEE
RANDALL L. NELSON, CITY ATTORNEY**

BY: 
MICHAEL A. McMAHAN (BPR #810)
Special Counsel
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(423) 757-5338
(423) 756-0737 (facsimile)

CERTIFICATE OF SERVICE

This is to certify that I have this day served a copy of the above and foregoing pleading upon counsel of record by facsimile or depositing same in the United States mail with adequate postage affixed thereto, addressed as follows:

R. Dale Grimes
T.G. Pappas
BASS, BERRY & SIMS, plc
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001

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Assistant Attorney General
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David C. Higney, Esq.
Grant, Konvalinka & Harrison, P.C.
633 Chestnut Street, 9th Floor
Chattanooga, TN 37450

This the 1st day of December, 2004.


MICHAEL A. McMAHAN